

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6753**

**BILL NUMBER: SB 280**

**NOTE PREPARED: Jan 28, 2008**

**BILL AMENDED: Jan 28, 2008**

**SUBJECT:** Marion County Government.

**FIRST AUTHOR:** Sen. Merritt

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

*Law Enforcement:* It provides that on July 1, 2008:

- (1) the mayor of the consolidated city is responsible for the consolidated law enforcement agency; and
- (2) the county sheriff's department, under the direction and control of the sheriff, is responsible only for county jail operations and facilities, security for city and county buildings and property, service of civil process and collection of taxes under tax warrants, and sex and violent offender registration.

*Fire Services:* It provides that on January 1, 2009, the fire departments of all of the following are consolidated into the fire department of the consolidated city:

- (1) The townships in the county containing the consolidated city.
- (2) A fire protection territory in the county containing the consolidated city.

It provides that a transfer of duties between units of government results in the transfer of property, equipment, records, rights, contracts (including labor contracts), and indebtedness. It also provides that a firefighter who is a member of the 1937 or 1977 Fund remains a member of the same fund after the consolidation. The bill requires the consolidated fire department to develop a strategic plan to determine resource requirements and resource deployments for the consolidated fire department.

*Emergency Responder:* The bill requires the mayor of the consolidated city to establish a professional standards board with responsibility after December 31, 2008, for establishing, validating, and maintaining

emergency responder certification and credentialing requirements and procedures. It provides that the requirements and procedures must be in accordance with the National Incident Management System and appropriate national professional standards and certification organizations and boards. It also specifies that a subcommittee of the professional standards board, under the direction of a board-certified emergency physician, is responsible for certification and credentialing of emergency medical responders.

*Property Tax:* The bill exempts from the property tax levy limits any amounts imposed by the consolidated city or the county to fund former township indebtedness. It establishes a maximum property tax levy for the consolidated city for property taxes payable in 2009, 2010, and 2011 that is the sum of the city's 2009 maximum levy plus the combined amounts levied in 2008 by the townships for firefighting.

*Cumulative Building and Equipment Fund for Fire Protection:* It specifies that the balance in the cumulative building and equipment fund for fire protection and related services of each entity whose fire department is consolidated into the fire department of the consolidated city be transferred to the consolidated city's cumulative building and equipment fund for fire protection and related services.

**Effective Date:** (Amended) July 1, 2008.

**Explanation of State Expenditures:** (Revised) *Department of Local Government Finance:* The Department of Local Government Finance (DLGF) may incur additional expenses to adjust the maximum permissible property tax rate and levy. These functions are within the current scope of agency work.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) *Summary-* Fire protection services are to be transferred to the county from townships and fire protection districts. If the county can perform or contract for the performance of the duties and administrative functions of the townships or other consolidating entity governments more efficiently, cost savings will result.

Increased expenditures in the bill include one-time costs for transferring records and establishing standards for emergency responders.

*Law Enforcement:* Any change in costs will be based on the administrative actions of the consolidated city mayor and the Marion County sheriff in executing the assigned responsibilities.

(Revised) *Fire Department Consolidation:* The consolidated fire department is to develop a strategic plan to determine the resource requirements and deployments based on risk assessment models promulgated by the Center for Public Safety Excellence, Inc. or its successor. Any efficiency gained by consolidation of the fire departments will depend on the resource requirements and deployments enacted.

Assignment of Property and Debt: The consolidated fire department assumes or receives the personnel, agreements with labor organizations, indebtedness related to fire protection services and merit board duties. The consolidated city assumes the powers, duties, agreements, and liabilities of bonds or other indebtedness. Any property, equipment, records, rights, and contracts are conveyed to the consolidated fire department.

In addition, all township fire-related debt is assigned to the consolidated city. Under the bill, the city may not assume any amount of debt that would cause the consolidated city's total debt to exceed the current 2%

debt limit, which equals 2% of 1/3 of the consolidated city's assessed valuation. The 2006 total township fire-related debt levy was \$2.7 M, and the only fire debt levy identified for an excluded city was \$575,000 in Lawrence.

Pension: After a consolidation, members of the 1937 Fund are to remain members of the 1937 Fund and members of the 1977 Fund are to remain members of the 1977 Fund. This should result in no fiscal impact.

Fire Service Information: There are approximately 35 fire stations in the eight suburban townships of Marion County.

**Explanation of Local Revenues:** *Fire Service District Maximum Levies:* In CY 2006, the maximum levy for the fire special service district was \$35.9 M. The CY 2006 maximum levy is lower than the 2005 amount (\$36.7 M) because not all of the 2005 levy authority was used. Assuming no growth, the greatest amount that may be transferred each year from the fire district maximum levy to the consolidated city's maximum levy is estimated at \$3.5 M.

Under current law, any levy authority that is not used in a year is lost. This provision allows the consolidated city to capture all unused levy authority in the fire special districts, including both intended migration amounts and the amount, if any, that would have been lost under current law due to a local decision to levy an amount that is less than the maximum.

*Cumulative Fire Building Fund Levies:* Any balance in the township building and equipment fund for fire protection and related services transfers to the county and may be used by the consolidated city for funding land, building, and equipment for fire protection and emergency services. The bill would establish a cumulative fire building fund in the consolidated city. Cash balances remaining in the joining entities' fire cumulative funds on the consolidation date would be transferred to the consolidated city's cumulative fire fund.

The county levies ad valorem property tax to pay for pension benefits for members of the 1937 Firefighters' Pension Fund within the county's maximum permissible levy limit.

The county is to assume township indebtedness or lease rental obligations for fire services and may levy property taxes in any area of the county where the county provides firefighting and emergency services. The county may not assume indebtedness that will exceed the limitations on the amount of indebtedness the county may incur.

For ad valorem property taxes first due and payable in 2011, the maximum firefighting levy is the combined levies for all of the townships. The county executive may adopt an ordinance to impose fees for ambulance services provided by a county fire department.

**State Agencies Affected:** DLGF; LSA.

**Local Agencies Affected:** Marion County; City of Indianapolis; Townships in Marion County.

**Information Sources:**

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